



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
DIRECTOR OF FEDERAL GOVERNMENT AFFAIRS



November 4, 2020

Yesterday was an historic election day for many reasons, including the almost 100 million people who voted early or by mail, voting taking place during a global pandemic, and the extreme level of divisiveness and controversy. It is also notable because the Presidential race has not yet been decided as of the morning of November 4. Former Vice President Joe Biden is currently ahead in the popular vote, however, there are still several states where counting all the ballots to determine who wins the Electoral College votes may take several days, including GA, MI, NC, NV, PA, and WI.

Additional information and more details about the election results will be distributed later today and in the coming days.

In addition to the presidential race, there were numerous critical elections on the ballot across the country: all 435 members of the US House of Representatives, 35 US Senators, 12 governors, various state legislators, and many local officials such as mayors, county commissioners, etc., as well as a number of important infrastructure-related ballot initiatives.

US Senate

Current Senate: Republicans currently control the Senate holding 53 seats with Democrats holding 47 seats including 2 Independents (ME and VT) who caucus with the Democrats. There were 35 US Senate seats up for election on November 3 (33 regular elections and two special elections in GA and AZ). They consisted of 23 Republican-held seats and 12 Democratic-held seats. Senators serve a six-year term. Of the 35 races, 31 seats were held by incumbents and 4 were open seats because of retirements (NM, TN, WY and KS).

Democrats had hoped to be able to take control of the Senate where they needed a net gain of 4 seats (or 3 seats if Biden wins the presidency), but right now it appears they will not be able to pick up enough seats.

New Senate: In the new 117th Congress, Republicans will likely retain control with a small majority. However, 60 votes will still be needed to pass most major legislation.



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
DIRECTOR OF FEDERAL GOVERNMENT AFFAIRS



At least three incumbent Senators lost re-election – Democrat Doug Jones (AL) and Republicans Cory Gardner (CO) and Martha McSally (AZ). Tommy Tuberville (AL), John Hickenlooper (CO) and Mark Kelly (AZ) will be joining the new Senate. Several races are still too close to call including MI, ME, GA, and NC. There will be a run-off election in Georgia on January 5 for the Special Election seat currently held by Senator Kelly Loeffler (R).

US House

Current House: Democrats picked up the majority in the House two years ago in the 2018 elections. They currently hold 232 seats to 197 Republican seats with 6 vacant seats. There were 45 incumbents who opted not to run again for the House in 2020 or who lost their primary election, including Rep. Dan Lipinski (D-IL), the chair of the House T&I Railroad Subcommittee, who lost his primary earlier this year.

New House: With a number of races still too close to call, it appears that Democrats will retain control of the House and may pick up a few additional seats. House T&I Committee Chairman Peter DeFazio (D-OR) won his close election, but at least two other members of the committee lost re-election – Rep. Abby Finkenauer (D-IA) and Rep. Debbie Mucarsel-Powell (D-FL).

Governors

There were 12 gubernatorial elections this year – an unusually small number. They were held in 3 states with Democratic incumbents (DE, NC, and WA), 6 states with Republican incumbents (IN, MO, ND, NH, VT and WV) and 2 states plus Puerto Rico with open seats because of term limits (MT and UT).

All incumbent governors up for election were re-elected. In the Utah open seat, Spencer Cox (R) won and in Montana, Greg Gianforte (R) won – both holding on to Republican seats.

New governors will mean new state DOT directors as well as new funding priorities and program initiatives.

In 2021, there will be gubernatorial elections held in 2 states – NJ and VA.



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
DIRECTOR OF FEDERAL GOVERNMENT AFFAIRS



Ballot Initiatives

There were a number of important state and local transportation and infrastructure-related ballot initiatives up for a vote around the country and many were successful. However, a number of other initiatives which had been planned were postponed given the uncertainty related to the pandemic. As federal funding for infrastructure programs keeps shrinking, state and local governments have been stepping up to the plate and agreeing to tax themselves to fund major infrastructure investments.

| Location | Type | Value | Purpose | Result |
|---|--|--------|---|-----------------|
| Sonoma, CA | Sales Tax | \$26M | Early renewal of a tax for road, bus, bicycle & ped projects | Not yet decided |
| Caltrain (tri-county commuter rail agency operating in the SF Bay Area) | Regional Sales Tax – San Francisco, San Mateo and Santa Clara Counties | \$100M | Revenue would provide a dedicated funding source for Caltrain | PASSED |
| Gwinnett County, GA | Sales Tax | \$404M | 1% sales tax for transit expansion in the county, including money for bus and rail expansion, expected to raise a total of \$12 billion over 30 years | Not yet decided |
| Portland, OR | Payroll Tax | \$350M | 0.75% payroll tax on employers to fund a \$7 billion transportation plan | FAILED |
| San Antonio, TX | Sales Tax | \$38M | Redirects a 1/8-cent sales tax away from water quality protection and trail programs towards mass transit after 4 years if another temporary measure to direct the funding to COVID-19 relief also passes | PASSED |
| Austin, TX | Property Tax | \$175M | Road and transit scope with dedicated money (8.5 cents) and no sunset. Increase in property tax to help fund Cap Metro's \$7 Billion "Project Connect" Plan | PASSED |



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
DIRECTOR OF FEDERAL GOVERNMENT AFFAIRS



| | | | | |
|-------------|-----------|-------|--|--------|
| Seattle, WA | Sales Tax | \$45M | Renews a .1% sales tax for the Seattle Transportation Benefit District and raises it to .15% for 6 years | PASSED |
|-------------|-----------|-------|--|--------|

Lame Duck Session

The current Congress will reconvene in DC on November 16 to begin a post-election Lame Duck session. While there are a number of critical bills still pending, some observers believe that Congress may not be in the mood to stay in town very long after the incredibly divisive and exhausting election.

The primary "must do" agenda item for the Lame Duck is action on all 12 federal agency FY'21 appropriations bills, including the THUD (US DOT) funding bill. The current CR expires on December 11. In addition, there will be tremendous pressure to pass a COVID-19 emergency relief package. The House, Senate and White House have been negotiating a follow-up to the CARES Act for over six months with no success. In addition to funding for extended unemployment insurance, PPP loans and other government support, the engineering and construction industry has been advocating for funding for state DOTs, airports, Amtrak, transit, and general funding for state and local governments.

Any legislation that is not completed before Congress adjourns for the session at the end of the year dies and must be reintroduced in the new 117th Congress.

Next Congress

The new 117th Congress will be sworn into office on January 3. The 117th Congress will once again likely be a divided Congress with Democrats controlling the House and Republicans controlling the Senate. This could have a positive effect as members look for bi-partisan legislation that all sides could support such as infrastructure, or it could result in more gridlock as each side digs in.